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State of Utah

DEPARTMENT OF NATURAL RESOURCES

Division of Oil, Gas & Mining

MICHAEL R. STYLER
Executive Director

JOHN R. BAZA
Division Director

Inspection Report

Minerals Regulatory Program

June 26, 2013

Reviewed: 

Mine Name: Lucin Variscite Mine	Permit Number: S/003/0034
Operator Name: Penney's Gemstones, LLC	Inspection Date: June 4, 2013
Inspector(s): Lynn Kunzler and Steve Schneider	Time: 11:30 am
Other Participants: None	Mine Status: active

Elements of Inspection	Evaluated	Comment	Enforcement
1. Permits, Revisions, Transfer, Bonds	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. Public Safety (shafts, adits, trash, signs, highwalls)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Protection of Drainages / Erosion Control	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Deleterious Material	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Roads (maintenance, surfacing, dust control, safety)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Concurrent Reclamation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Backfilling/Grading (trenches, pits, roads, highwalls, shafts,	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Soils	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Revegetation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Other	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Purpose of Inspection:

Routine Inspection

Inspection Summary:

Permit fees have not been paid for this year. The BLM holds a \$10,000 surety for the ROW for this site. BLM is surface owner, Operator is mineral owner. Bond escalation is overdue.

This site is blocked from vehicle access via locked gates and rock barriers. This has been completed since the last inspection. There has also been mining activity as well, deepening the main pit. There is a safety issue in that there is now a small overhang in the pit. This needs to be corrected before any more digging in the pit.

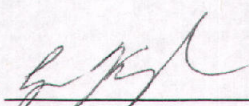
The site was otherwise stable and free of garbage.

Photos were taken to document site conditions

Conclusions and Recommendations:

The operator needs to remit the annual permit fee of \$150 or potential enforcement action will occur. The overhang in the pit needs to be removed prior to any further mining in the pit. The Division needs to escalate the surety, and receive BLM concurrence. The operator will then be given a reasonable timeframe to provide the additional surety amount.

Inspector's Signature



cc: David Penney, Operator (ep7art@mac.com)
Larry Garahana, BLM (lgarahan@blm.gov)

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